VZCZCXRO6598

PP RUEHBC RUEHDE RUEHKUK

DE RUEHDIR #0010/01 0650935

ZNY SSSSS ZZH

P R 060935Z MAR 07

FM IRAN RPO DUBAI

TO RUEHC/SECSTATE WASHDC PRIORITY 0066

INFO RUCNIRA/IRAN COLLECTIVE

RUEHAD/AMEMBASSY ABU DHABI 0034

RUEHAD/USDAO ABU DHABI TC

RUEHDE/AMCONSUL DUBAI 0061

RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC

RUEAIIA/CIA WASHINGTON DC

RHEFDIA/DIA WASHINGTON DC

RUEHDIR/IRAN RPO DUBAI 0059

S E C R E T SECTION 01 OF 02 IRAN RPO DUBAI 000010

SIPDIS

NOFORN SIPDIS

LONDON FOR GAYLE; BAKU FOR HAUGEN; BERLIN FOR PAETZOLD

E.O. 12958: DECL: 1/26/2012 TAGS: <u>PREL IR KNNP PGOV</u>

SUBJECT: CRITICISMS OF US NUCLEAR POLICY FROM AN IRANIAN SECULARIST

RPO DUBAI 00000010 001.2 OF 002

CLASSIFIED BY: Jillian L. Burns, Director, Iran Regional Presence Office, Dubai, UAE. REASON: 1.4 (d)

1.(S/NF) Summary. A dual national who in most ways represents the most pro-Western, secular segment of the Iranian population, gave IRPOffs a critical assessment of US strategy on Iran's nuclear program. He maintained that US arguments against an Iranian enrichment program have not swayed even the elite of Iranian society. All of Iran, including secularists who dislike the government like him, took two lessons from the Iran-Iraq war, he said. One, Iran has to be self-reliant in all things. Two, in the one area of WMD, he said, the mullahs have a better track record than the US. He cited a widely-held view in Iran that the US, along with France and Germany, helped Iraq carry out chemical attacks against Iran during their eight-year war. He said memories from the war are still fresh in Iranians' minds. He advised the US to proactively engage Iranian elite on the subject and to take the initiative in trying to restore the trust deficit between the two countries. His recommendation was to find a way to talk to the regime now, rather than risk having to revise US positions later by new facts on the ground. comments are particularly noteworthy, given his very pro-Western stance on most other issues, and seemed to epitomize the Iranian nationalist viewpoint about which we hear so much. End Summary.

Trust deficit

2.(S/NF) Speaking to IRPoffs February 25, an Iranian-American reformist bemoaned what he perceives as a "trust deficit" between Iran and the US. The contact, who comes from the most pro-Western, reform-minded segment in Iran, has a good understanding of both Iranian and US perspectives. In his view, the recent escalation of tensions could have been mitigated had USG officials acknowledged the trust deficit early on and appealed to the elite of Iran. He did not understand the rationale for not publicizing the contents of the P5-1 package from the outset, saying that doing so could have given fodder to those people advocating talks. The contents of the package are still not understood in Iran, he said. A publicized offer by the US to "compensate" Iran in some concrete way while it suspends enrichment could help build trust, he added.

Lessons learned

- 3.(S/NF) A portion of the trust deficit, this reformist told us, stems from lessons taken from the 1980-88 Iran-Iraq war. All Iranians now believe that -- regardless of the fact that such an approach would not be economically rational -- the country should be self-sufficient in all things. Because of this, US arguments that Iran does not "need" civilian nuclear energy because of its oil and gas reserves are not persuasive and are possibly counter-productive, in his view. Furthermore, he agreed with what he termed the widespread view in Iran that it is not up to the international community to determine domestic energy policy or energy needs of other countries, and that under international law, Iran has the "right" to pursue nuclear energy.
- 4.(S/NF) This pro-Western reformer was also dismissive of the argument that the US has advanced to demonstrate that Iran's intentions must be to build nuclear weapons, that the design of Iran's nuclear program does not make economic sense for a purely civilian program. His reasoning was that outsiders should not assume the worst when looking at the Iranian government's development plans, given all the illogical decision-making apparent in other state-run projects. He inferred that the Iranian government rarely spends its money efficiently. (Another contact, an economist, recently made the same argument, claiming that Iran had wasted more money in its failed attempt several years ago to become independent in sugar production than it has spent to date on its nuclear industry.)
- 5.(S/NF) Furthermore, this reformer said, the trust deficit is compounded by Iranian views of US culpability in Iraqi chemical attacks against Iranians during the Iran-Iraq war. He said in this area (and apparently in this one only) he thinks "the mullahs" have a better track record than the US. He noted it is "common knowledge" in Iran that the US provided the Iraqi military not only with weapons, but also with satellite imagery depicting "best" targeting opportunities, information the Iraqis then used in their chemical attacks. He also noted French and

RPO DUBAI 00000010 002.2 OF 002

German responsibility for supplying components for chemical weapons. It is also widely remembered, he said, that the USG initially accused Iranian forces of what were eventually proven to be Iraqi chemical attacks against the Iraqi Kurdish town of Halabja. This reformer claimed that even had Iranian forces had access to chemical weapons, they would not have used them. He also claimed Iran took greater care in general at avoiding civilian targets than the Iraqis.

- 6.(S/NF) Echoing Israeli commentary about Ahmadi-Nejad's Iran, the reformer added that there are some in Iran, and apparently not just those in the regime, who view the US as "an existential threat." He repeated an assertion we here regularly from Iranian interlocutors that the US would drop all objections to Iran's nuclear program if only it were to shake hands with Israel.
- 7.(S/NF) The dual national no fan of Ahmadi-Nejad -- also credited the latter with winning US "acceptance of a civilian nuclear energy program in Iran," and predicted Ahmadinejad would continue to push back on US red-lines on the nuclear issue.

NGO concerns

7.(S/NF) The dual national was also critical of State Department's classified DRL and MEPI grants for Iran, saying his own work with foreign NGOs had suffered from the increased IRI suspicion these grants had provoked. He noted that he now had to hide affiliations with outside NGOs, even on non-political projects, to avoid raising government suspicions. The reformer was also concerned that like other Iranians, he could face future repercussions in Iran for work he did with US NGOs predating the introduction of these new grants. He said that while he is not allowing his concerns to stop his work on

NGO-related projects, he is taking many more extra precautions.

- 8.(S/NF) Comment: Some of our interlocutor's arguments are specious or naove -- e.g., that the US should not assume Iran's nuclear program has a military component just because it is not designed in a cost-effective way for civilian uses. Coming as it does from one of the most pro-Western Iranian of our contacts -- that we have failed to sway the elite -- is notable, and we should bear this in mind as we contemplate future public statements. Judging from the passion with which he presented them, his statements seemed to go to the core views of Iranian nationalism. At the same time, he is very pro-American -- albeit critical of some aspects of US policy.
- 9.(S/NF) Comment con't: We were struck by this contract's degree of high anxiety and agitation on the question of US-Iran relations. This pro-Western interlocutor's main theme was that the US comes to the Iran equation with a lot of past baggage and Iranians universally (even the Western-oriented) feel they have genuine reasons to question US motives. Therefore, he argued, the US should focus publicly on the win-win potential of negotiations, underscoring the benefits for average Iranians should solutions be found to the litany of bilateral and international issues that must ultimately be addressed. While we pushed back strongly at the notion that Ahmadi-Nejad had won any concessions from the US (e.g., recognition of Iran's civil nuclear "rights"), our interlocutor appeared to be arguing that the US should decide now what a realistic end scenario is for a mutually acceptable Iranian nuclear program - and be ready to communicate that. By doing so, he argued, the US will deny regime hardliners the ability to achieve new "facts on the ground" in the nuclear program. At the same time, those desirous of negotiations could win public support - and put pressure on the regime - for the P5+1 package and the future it holds out to Tehran. BURNS